GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2120
ANSWERED ON:06.05.2016
Outstanding Direct Tax
Jayadevan Shri C. N.

Will the Minister of FINANCE be pleased to state:

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA
UNSTARRED QUESTION No. 2120
TO BE ANSWERED ON FRIDAY, THE 6TH MAY 2016
16 VAISAKHA 1938 (SAKA)

OUTSTANDING DIRECT TAX.

2120. Shri C.N.Jayadevan

Will the Minister of FINANCE be pleased to state:

(a) whether it is true that over 96 percent of the outstanding direct tax dues at the end of 2014-15 are difficult to recover;

(b) if so, the details of the outstanding amount of direct taxes at the end of 2014-15 along with the reasons for not recovering the same; and

(c) the steps taken by the Government to recover the outstanding direct tax expeditiously?

Answer

ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) Yes Sir.

(b) Out of the total amount of Rs. 7,00,148 crore of outstanding tax demands on 31.3.2015, the dues against corporate taxpayers amount to Rs. 3,66,087 crore and those against non corporate taxpayers are Rs. 3,34,061 crore. Of this an amount of Rs. 6,73,032 crore is classified as "difficult to recover" due to various reasons as outlined below:
i. Demand is stayed by ITAT/Courts
ii. Demand is stayed by Income Tax authorities
iii. No assets/inadequate assets for recovery
iv. Assessee Companies is in Liquidation
v. Assessee's case admitted before BIFR/Settlement Commission
vi. Assessee is a Notified person under the Special Court (Trial of offences relating to Securities) Act, 1992
vii. Assessee is not traceable
viii. Appeal is pending against attachment of properties
ix. TDS/Prepaid taxes mismatch
x. Demand not enforceable as MAP proceeding is pending
xi. Asset is jointly attached with other agencies
xii. Cases where department has lost in appeal but the demand is outstanding for other years as the department is in further appeal

(c) Action for recovery of these outstanding demands is taken in accordance with the provisions of the Income-tax Act, 1961 on continuous basis. There is a detailed plan for recovery of tax arrears. Strategies and targets to collect the same are laid down in the beginning of every financial year as part of the Central Action Plan document. Efforts of the assessing officer to collect/recover the outstanding demand are regularly reviewed/monitored by the hierarchical superior authorities. Databases like Individual Transaction Statement and 360-degree profile generated by the Department and those maintained by third party agencies like FIU-IND, etc have been made available to the field units for identification of assets for recovery. Guidelines for Tax Recovery Officers for recovery and for dealing with stay petitions, etc have been issued. Efforts for early disposal of appeals are also undertaken. A new reward scheme for information leading to recovery of arrears has been notified.

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